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*Attorneys for Plaintiffs*

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

LUIS MORALES-GARCIA, BENITO  
PEREZ-REYES, CESAR JIMENEZ-  
MENDOZA, GABRIELA RENDON-  
VASQUEZ, and JUANA VELASCO-  
TORRES, on behalf of themselves and  
all others similarly situated,

*Plaintiffs,*

v.

HIGUERA FARMS, INC., LA  
CUESTA FARMING COMPANY,  
INC., BIG F COMPANY, INC., RED  
BLOSSOM SALES, INC., BETTER  
PRODUCE, INC., and DOES 1-8,

*Defendants.*

Case No.: 2:18-cv-05118-SVW-JPR

**CLASS ACTION**

**PLAINTIFFS' STATUS REPORT**

1 Plaintiffs Luis Morales-Garcia, Benito Perez-Reyes, Cesar Jimenez-  
2 Mendoza, Gabriela Rendon-Vasquez, and Juana Velasco-Torres (hereafter  
3 “Plaintiffs”), were H-2A and domestic farmworkers employed in and around Santa  
4 Maria, California to harvest strawberries. Plaintiffs were recruited and employed  
5 by three growers owned by members of the Contreras family, Higuera Farms, Inc.  
6 (“Higuera”), La Cuesta Farming Company, Inc. (“La Cuesta”), and Big F  
7 Company, Inc. (“Big F”) (collectively “the Contreras Defendants”). Plaintiffs  
8 brought the instant putative class action alleging systemic acts of wage theft and  
9 other recurrent violations of state and federal labor law. Plaintiffs also alleged that  
10 Red Blossom Sales, Inc. (“Red Blossom”) and Better Produce, Inc. (“Better  
11 Produce”) were liable for these underlying violations as client employers under  
12 California Labor Code section 2810.3 and as joint employer under both California  
13 law and federal law.

14 The Contreras Defendants were previously represented by the law firm of  
15 Dowling Aaron Incorporated. Dowling Aaron Incorporated filed a motion to  
16 withdraw as counsel on July 29, 2019, (Dkts. 100, 106), which the Court granted.  
17 (Dkt.129). The Contreras Defendants failed to retain new counsel as ordered by the  
18 Court. (Dkt. 129). Accordingly, the Court entered default against each of them.  
19 (Dkts. 148, 228). However, the Court has not entered default judgment against any  
20 of the Contreras Defendants.

21 In addition to having default entered against them, the Contreras Defendants  
22 each filed for Chapter 7 bankruptcy in the United States Bankruptcy Court, Central  
23 District of California (“Bankruptcy Court”). The automatic bankruptcy stays have  
24 been lifted as to each of them. (Dkts. 216, 217, 238). Plaintiffs have also filed  
25 claims against each of the Contreras Defendants in the Bankruptcy Court.

26 On September 9, 2020, Plaintiffs, Red Blossom and Better Produce filed a  
27 joint stipulation to bifurcate and continue the December 1, 2020 jury trial. (Dkt.  
28 252). The stipulating parties agreed to bifurcate this matter, with the issues of the

1 liability of Red Blossom and Better Produce under California and federal joint  
2 employer theories, and as client employers (“Joint Liability Issues”), to be  
3 determined by the Court at a bench trial on February 3, 2021. All of the remaining  
4 issues were to be tried at a second trial date by jury, on a date to be determined  
5 after the trial on the Joint Liability Issues. On September 24, 2020, the Court  
6 granted the joint stipulation. (Dkt. 254).

7 On February 3, 2021 and February 4, 2021, the Court held a bench trial on  
8 the Joint Liability Issues. (Dkts. 367, 368, 376, 377). On February 5, 2021, the  
9 Court issued a minute order setting a filing schedule for post-trial briefs to be  
10 submitted by the parties. (Dkt. 357). Plaintiffs filed their post-trial briefs on  
11 February 26, 2021. (Dkts. 383, 384). Red Blossom and Better Produce filed their  
12 respective oppositions on March 12, 2021. (Dkts. 387, 388). Plaintiffs filed their  
13 reply briefs on March 22, 2021. (Dkts. 393, 394).

14 On October 18, 2021, the Court issued a judgment in favor of Red Blossom  
15 and Better Produce, finding that they were not joint employers under state or  
16 federal law, and also not client employers under state law. (Dkt. 399). Plaintiffs  
17 filed an appeal to the United States Court of Appeals for the Ninth Circuit (“Ninth  
18 Circuit”) on February 1, 2022. (Dkt. 431).

19 On February 17, 2022, Plaintiffs, Red Blossom and Better Produce  
20 submitted a joint stipulation to stay the District Court proceedings and enforcement  
21 of costs pending the appeal (Dkt. 434). The stipulating parties agreed to stay all  
22 further proceedings in the District Court pending the Appeal before the Ninth  
23 Circuit, except for a ruling on Plaintiffs’ Motion for Class Certification. The  
24 parties also agreed to stay any enforcement action to collect the costs awarded to  
25 Red Blossom and Better Produce pending a decision on Plaintiffs’ appeal. Finally,  
26 the parties agreed that the stipulation to stay would in no way affect any of the  
27 proceedings in the Bankruptcy Court against the Contreras Defendants, including  
28 proceedings to resolve and administer the claims filed by Plaintiffs against the

1 Contreras Defendants arising from this action.

2 On March 10, 2022, the District Court granted a stay of the District Court  
3 proceedings and enforcement of costs pending appeal. (Dkt. 435). The Court  
4 stayed all proceedings, including a ruling on Plaintiffs Motion for Class  
5 Certification, pending the appeal before the Ninth Circuit. The Court also ordered  
6 that the stay of proceeding in the District Court would in no way affect the  
7 bankruptcy proceedings against the Contreras Defendants in the Bankruptcy Court.

8 Plaintiffs now submit this status report:

- 9 1. On June 1, 2023, the United States Court of Appeals for the Ninth Circuit  
10 entered judgement affirming the District Court's decision as to Red  
11 Blossom and Better Produce.
- 12 2. The Court of Appeals issued a mandate relinquishing jurisdiction over  
13 the case on June 23, 2023. The mandate officially transfers the case back  
14 to the District Court. The mandate was filed in the District Court on June  
15 28, 2023.
- 16 3. The Contreras Defendants are the only remaining Defendants in the  
17 instant case before the District Court. Each of the Contreras Defendants  
18 is in default, but default judgement has not been entered against any of  
19 them.
- 20 4. The Contreras Defendants are still in Chapter 7 bankruptcy proceedings.  
21 Plaintiffs filed claims against each Contreras Defendant in the  
22 Bankruptcy Court.
- 23 5. Plaintiffs and the bankruptcy trustee for the Contreras Defendants have  
24 negotiated a settlement agreement in the Bankruptcy Court. Plaintiffs and  
25 the bankruptcy trustee are currently finalizing the terms of the written  
26 settlement agreement.

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1           6. Accordingly, Plaintiffs respectfully request that this Court stay all further  
2           proceedings with respect to the Contreras Defendants, only, until the  
3           settlement in the Bankruptcy Court has been fully executed in accordance  
4           with the terms of the settlement agreement, including the disbursement of  
5           any settlement funds. Plaintiffs will file a further status report once the  
6           settlement is executed and funds are disbursed.

7  
8       Dated: June 28, 2023

Respectfully submitted,

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10                                   CALIFORNIA RURAL LEGAL ASSISTANCE  
11                                   FOUNDATION

12                                   HADSELL STORMER RENICK & DAI LLP

13                                   By: /s/ Cecilia Guevara Langberg  
14   *Attorneys for Plaintiffs*